

Message Text

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E.O. 11652: GDS

TAGS: MPOL, MARR, US, GW

SUBJECT: CARL DAMM'S COMMENTS ON PROPOSED GEPARD LEASE

REF: BONN 7226, DTG 181952Z APR 78

SINCE

SECDEF TOLD APEL UNEQUIVOCALLY THAT NEITHER GEPARD BUY
NOR LEASE WAS FEASIBLE, IT IS IMPORTANT TO MAKE CLEAR
TO CARL DAMM IN PARTICULAR THAT LEASE IS NO LONGER
POSSIBLE. WE SUGGEST EMBOFF MEET DAMM SOONEST AND MAKE
POINTS PRESENTED BELOW, SAYING YOU IMMEDIATELY CONTACTED
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WASHINGTON ABOUT HIS VIEWS AND GOT THE FOLLOWING RESPONSE:

1. BIGGEST OBSTACLE TO GEPARD IS SHEER COST. (FYI: MOD
BONN HAS NEVER QUOTED US A LEASE PRICE, PERHAPS BECAUSE
IT KNEW ANNUAL RENT WOULD BE SO HIGH THAT CONGRESS
WOULDN'T BUY. END FYI.) INDEED WE UNDERSTAND THAT
EVEN BACK IN THE EARLY SEVENTIES, WHEN BUNDESTAG APPROVED

BUNDESWEHR'S OWN GEPARD BUY, THERE WAS MUCH COMPLAINT ON COST GROUNDS. SINCE THEN PRICE HAS RISEN SUBSTANTIALLY, AND REDUCED VALUE OF DOLLAR VERSUS DM FURTHER DIMS ANY PROSPECT OF ACCEPTABLE SALE OR LEASE PRICE. WE HAVE NEVER BEFORE HEARD DAMM'S GUESS OF

1.5M DM PER UNIT FOR WHAT APPEARS TO BE FOUR-YEAR LEASE, BUT BELIEVE IT MORE COST-EFFECTIVE TO INVEST IN NEW IMPROVED DIVISION AIR DEFENSE GUN.

2. WE ARE ESPECIALLY CONCERNED OVER COST BECAUSE INTERIM PERIOD DURING WHICH US WOULD FIND GEPARD USEFUL AS A GAP FILLER IS NO LONGER WIDE ENOUGH TO JUSTIFY EXPENSE. EVEN IF GEPARD MADE AVAILABLE TO US AND TRAINED UNITS CREATED BY 1980, OUR OWN DIVAD INITIAL OPERATIONAL CAPABILITY IS 1983. IN SHORT, TIME HAS SIMPLY PASSED BY THE OPTIMUM POINT AT WHICH TO FIELD AN INTERIM US GEPARD CAPABILITY.

3. DAMM SHOULD ALSO BE TOLD THAT US FINDS ANALOG FIRE CONTROL COMPUTER ON GEPARD NOT AS GOOD AS DIGITAL COMPUTER US IS SEEKING. IN FACT US UNDERSTANDS THAT MOD BONN ALSO INTENDS REPLACE PRESENT COMPUTER WITH A DIGITAL COMPUTER AROUND 1982. WAITING TILL THEN WOULD FURTHER REDUCE GAP DURING WHICH US COULD USE GEPARD AS INTERIM SHORAD SYSTEM TO LESS THAN A YEAR. HOWEVER, CONFIDENTIAL

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US HAS SUGGESTED WE MIGHT HAVE COOPERATION WITH FRG ON DIGITAL COMPUTER.

4. ANOTHER MAJOR COST REASON WHY US GOING FOR OWN DIVAD IS THAT WE EXPECT TO MOUNT IT ON OUR M-48 TANK CHASSIS, OF WHICH OVER 1,000 AVAILABLE, RATHER THAN HAVING TO BUY NEW LEOPARD I CHASSIS USED FOR GEPARD. MOREOVER, IF WE CHOOSE EITHER TWIN 35MM OERLIKON GUN OR 40MM BOFORS, WE WILL HAVE HIGH DEGREE OF INTEROPERABILITY WITH ALLIES.

5. US ARMY IS ALSO CONCERNED ABOUT PERSONNEL, LOGISTIC, TRAINING BASE AND MAINTENANCE IMPLICATIONS OF INTRODUCING ONLY FOUR EUROPE-BASED GEPARD BATTALIONS INTO AN ARMY FORCE STRUCTURE ALREADY STRETCHED THIN.

6. FOR ALL THE ABOVE REASONS WE DOUBT CONGRESS WOULD APPROVE GEPARD LEASE EVEN IF ARMY COULD BE DRAGOONED INTO IT. IT IS THEREFORE MUCH MORE PROFITABLE TO LOOK AT PROPOSALS FOR DEVELOPING NEW COMMON WEAPONS FAMILIES AS MEANS OF PROMOTING MORE OF A TWO-WAY STREET, AND SAVING MONEY TOO. DR. PERRY, AMB KOMER OR MG BOWMAN

WOULD BE HAPPY TO BRIEF DAMM ON THESE WHEN HE NEXT VISITS US.

7. MOREOVER, WE HAVE INTENSIFIED OUR EFFORTS TO IDENTIFY FRG DEVELOPMENTS THAT ARE COST-COMPETITIVE FOR OUR NEEDS. OUR PLANNED PROCUREMENT OF ADMINISTRATIVE VEHICLES FROM GERMANY IS SUCH AN EXAMPLE. PROCUREMENT OF TACTICAL

TRUCKS MAY ALSO BE POSSIBLE. WE HAVE ALSO OFFERED THE AIM-9L AND JTIDS FOR CO-PRODUCTION BY GERMANY WITHOUT ANY REIMBURSEMENT FOR US GOVERNMENTAL R AND D COSTS. SO FAR AS WE KNOW, THIS ACTION IS UNPRECEDENTED IN THE ALLIANCE FOR SUCH HIGH-TECHNOLOGY SYSTEMS.

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